EXHIBIT 8522.R

GOOG-PLAY-003333662.R

EXHIBIT 8522.R-001

Google Play | Google Cloud

Play + Cloud Credit Program Proposal (Project Hug)

March 2019

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Executive Summary

Goal

- **Play:** Unlock incremental value for developers on Play (boost developer loyalty to Play)
- **Play:** Reduce *effective* revenue share take (ease pricing pressure)
- **GCP:** Boost GCP awareness and adoption among Play developers

Proposal

- **Program:** 2% of Play spend returned as GCP credit (no cap) for 3 years
- **Deployment:**
  - **Short Term Option:** Extend existing pilot to 22 of Play's Top Developers ('Hug' devs)

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Pre-Read

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Expanded Program Goals

— Desired Developer Behaviors —

Prioritize Play (+ Android)	**Invest Across Google**	**Improve Sentiment**
Prioritize Play for title distribution on Android	**Boost investment across Google's developer services** (*Ads, YT, GCP*)	**Improve sentiment about Play revenue share and Google gaming value proposition**
• Sim-ship on Android and iOS • Launch on Play on "day 1" of Android launch	• For GCP, acquire net new logos • Greatly expand existing developer' footprint within GCP (win new titles, migrate existing games/data)	

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Context: 2019 is a Key Year for Mobile Game Developer Support

Changes in mobile gaming create **risk of game dev churn from Play ($XB Play revenue at risk by 2021)**, but also present opportunity for **X-Google collaboration with top devs**

Mobile Gaming Has Changed

New Developer Segments	• Major PC / Console game devs coming to mobile
Evolving Developer Needs	• "Live Ops" and gaming-as-a-service • More concurrent, more multi-player, more social
Increasing Distribution Competition	• 3P platform stores (e.g., Amazon) and OEM stores • Developers exploring 1P solutions (e.g., Epic)

Developer churn risk: game developers de-prioritize distribution on Play

- Store rivals aggressively competing for game dev attention/exclusive content (e.g., Epic Store only taking 12% rev. share vs. Play's 30%) → many devs evaluating other distribution options

- Current "App Store Tax" meme fueling discontent; undercuts value of Play

Google opportunity to strengthen relationships and grow x-PA services revenue

- Top game developers asking for broader partnership discussions with Google

- Developer needs span multiple Google products; we can address with right (hybrid) offer

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Pilot Learnings & What to Adjust Moving Forward

Takeaways

- **Difficult to understand sales attainment guidelines; soured some Sales reps**
  - Guidelines changed mid-semester
  - Reps only receive attainment for 1st semester, after which they do not (quota is "lowered" instead)
  - No way easily understand attainment rectification until EOQ

- **Credits lowered barrier to entry for new customers, but often not enough to secure larger workloads**
  - Often only won smaller workloads to test, no promise of future titles, central infra

Implications

- Need to ensure program design is **amenable to Sales incentives & encourages incremental spend.** Need Exec sponsorship on Sales side

- Need to **lengthen duration** to win new titles & **justify migration of existing games/data workloads**

- Need to **sweeten the offer**

Program Design & Deployment Options

Terms	Play developers receive 2% of their Play spend to invest in GCP (no cap)**
Duration	Recommendation of 2-3 years**
Funding	*Play* / *Hug*, via **internal accounting**** (unlike pilot where GCP funded)

	SHORT TERM: OPTION A Deploy to 22 strategic "Hug" Devs & Extend for 20 Existing Pilot Devs	**LONG TERM: OPTION B** Deploy Broadly to All Play Devs**
Scope	• 22 Devs Total: 22 "Hug" Devs (with potential to add a few pilot devs) • ~28 GCP pods affected, ~48 accounts • 6 commits • 39 Existing Spenders, 9 "New" GCP Customers* (39 spending <$1M on GCP in 2018)	• All 14k+ Play developers • Est. ~1500 existing GCP accounts, 160 Corp & Enterprise pods • 38 Commits • ~400 Existing, 13,500+ "New" Customers*
Pros & Rationale	• These devs are highest priority for Play • Minimal operational constraints	• Public, large scale X-Google initiative • Greater opportunity for GCP to win Gaming market more quickly
Cons	● Doesn't get us the accompanying PR boost	● Significant operational challenges to deploy broadly; hard to roll-back

* = less than <$2k / yr on GCP   ** = notable change from original pilot   *** = extremely challenging to map GCP accounts to Play because no unique ID

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Top 22 Play 'Hug' Developers & Revenue

Option A

#	Play Developer Name	2018 Play Spend (Gross Rev)	Mapped Cloud Account(s)	2018 Cloud Rev	Has Commit?	Max Annual Cloud Credit
1	Activision Publishing, Inc.	$1.2M	Activision Publishing, Inc.	$23K	FALSE	$24K
2	Aniplex Inc.	$661M	ANIPLEX INC.	$25K	FALSE	$13M
3	BANDAI NAMCO Entertainment Inc.	$742M	BANDAI NAMCO ENTERTAINMENT INC	$2.9M	TRUE	$15M
			BANDAI NAMCO STUDIOS INC.	$1.6M	FALSE	
			Namco Bandai Games America Inc.	$5.7K	FALSE	
4	Bethesda Softworks LLC	$9.8M	BETHESDA SOFTWORKS LLC	$0	FALSE	$200K
5	Blizzard Entertainment, Inc.	$63M	Activision Blizzard, Inc.	$43K	FALSE	$1.2M
6	Com2uS	$215M	Com2us Corporation	$155K	FALSE	$4.3M
7	Electronic Arts Inc	$274M	Electronic Arts	$1.3M	FALSE	$5.4M
			Electronic Arts (Canada) Inc	$1.2K	FALSE	
8	King	$710M	King	$2M	TRUE	$14M
9	mixi, Inc.	$469M	MIXI, INC.	$434K	FALSE	$9.3M
10	NCSOFT Corporation	$790M	NCSOFT Corporation	$1.6K	FALSE	$16M
11	NetEase Games	$129M	NetEase Information Technology (Beijing) Co., Ltd.	$1.7M	FALSE	$2.6M
12	Netmarble	$572M	Netmarble Corp.	$1.8M	TRUE	$11M
13	NEXON Company	$188M	NEXON Korea Corporation	$271K	FALSE	$3.8M
			Nexon Korea	$1.3K	FALSE	
14	Niantic, Inc.	$345M	Niantic, Inc.	$32M	TRUE	$6.9M
15	Nintendo Co., Ltd.	$157M	NINTENDO CO., LTD.	$4.3M	TRUE	$3.1M
			Nintendo of America Inc.	$2.7K	FALSE	
16	PEARL ABYSS	$191M	Pearl Abyss Co.,Ltd.	$2.4K	FALSE	$3.8M
17	Riot Games, Inc	-	Riot Games	$8.5k	FALSE	TBD
18	SQUARE ENIX Co.,Ltd.	$339M	SQUARE ENIX CO., LTD	$846K	FALSE	$6.8M
			SQUARE ENIX CO., LTD	$558K	FALSE	
			Square Enix Montreal	$386	FALSE	
19	Supercell	$583M	Supercell Oy	$3,599	FALSE	$12M
20	Tencent Mobile International Ltd.	$73M	Tencent 深圳市腾讯计算机系统有限公司	$497K	FALSE	$1.5M
21	The Pokemon Company	$8.6M	THE POKEMON COMPANY	$9.5K	FALSE	$172K
22	Ubisoft Entertainment	$33M	UBISOFT ENTERTAINMENT	$446K	TRUE	$660K
			Ubisoft Divertissements Inc.	$57.6K	FALSE	
			Ubisoft Entertainment Sweden AB	$33.3K	FALSE	

2018 Cloud Rev for Existing Devs w/o commit = $6M

2018 Cloud Rev for Existing Devs w/ commit = $46M

For devs with commit, we will allow them to receive this benefit only **after** they have fulfilled their commit* (NOTE: this is still under discussion)

- i think Tariq will want to see who is impacted by optoin A. don't want to include too many data points.. do you think we need max annual cloud credit & "est. 2019/2020 cloud spend?)
- Note that giving concessions on GCP commitments may have additional immediate revenue impacts. If, for example, a given commit customer is behind on their commit, and this allows them to exit that commit, it creates a history of Google not enforcing commitment contracts, which we do not want to do. I want to flag that we should not give the option to exit a commit if a customer is behind on their spend.

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20 Existing Pilot Developers, Revenue per PA

Option A

#	Play Dev Name	Pilot Start	2018 Play Spend (Gross Rev)	2018 Credit Consumption	2018 GCP Net Revenue	Max Annual Cloud Credit
1	FoxNext Games	June 2018	$43,063,927	-$200,000	$450,216	$861,279
2	Gamebasics BV	June 2018	$3,361,483	-$11,758	$538	$67,230
3	Headup	June 2018	$492,497	-$1,675	$0	$9,850
4	Jam City, Inc.	June 2018	$135,910,038	-$273,664	$93,778	$2,718,201
5	WRKSHP	June 2018	$3,255,777	-$15,697	-$21	$65,116
6	Devsisters Corporation	July 2018	$20,096,034	-$33,650	$9,207	$401,921
7	*Pearl Abyss**	*July 2018*	$190,531,222	-$78,480	$2,442	$3,810,624
8	Scientific Games Interactive	July 2018	$120,170,793	-$279	$2,612	$2,403,416
9	Glu	August 2018	$43,166,990	-$29,283	$9,123	$863,340
10	NEOWIZ corp	August 2018	$44,060,334	-$42,582	$7,732	$881,207
11	Zynga	August 2018	$198,062,686	-$70,552	-$1,671	$3,961,254
12	Headspace, Inc.	September 2018	$12,940,026	$0	$0	$258,801
13	Big Fish Games	December 2018	$109,437,899	-$1,863	$6,685	$2,188,758
14	EUROCENTER GAMES	December 2018	$692,265	$0	$0	$13,845
15	Godzilab Inc	December 2018	$2,518,474	-$4,891	$226,883	$50,369
16	Pixelbite	December 2018	$203,982	$0	$0	$4,080
17	Rogue Games, Inc.	December 2018	$62,473	-$399	$2,619	$1,249
18	Playtika	January 2019	$281,486,388	$0	$322,985	$5,629,728
19	Tinder	January 2019	$290,218,580	$0	$39,359	$5,804,372
20	Tap Slots Free Casino Slot Machines	February 2019	$1,144,202	$0	$0	$22,884
Grand Total				**-$764,773**	**$1,133,129**	**$30,017,521**

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*Pearl Abyss is both a "Hug" Dev & a "Pilot" Dev

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For Discussion

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Assumed Impact of Program Duration on Developer Adoption

What % of overall customers do we win today vs. what we think we'll win with a 3 yr program?

- **Today:** we win est. 25-30% of the deals we pitch (of that ¼ of top Gaming customers sign commits)

- **With 3 Year Program:** we would win est. 85% of customers onto the platform (higher for Enterprise)

How much of their total cloud consumption do we expect to win?

Duration	Est. % of Acq. Workload	Rationale
1 Year	0-35%	This will incent some devs, but migrating large workloads takes **time**, thus we expect to win at a **similar rate to normal deals given short duration.** Not enough time to get incremental spend above credits.
2 Years	45-55%	We might not get any workloads from existing titles, but would probably **win central data infrastructure & ~50% of new titles**
3 Years	75-85%	We'd get more **existing titles to migrate, all of central infrastructure & most of the new** titles. At this point we become **sticky, familiar partners** (which we are not today)
5 Years	85-90%	We're even stickier at this point

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- Before we jump into the #s, want to add a bit of color to how we think program duration will impact developer adoption, therby impacting success of program
- First, we sought to understand what % of customers do we win today vs. predict to win with a longer program? (By win here, we mean do they come onto GCP at all)
- Today we're winning 25-30% of overall deals we pitch. It's not a ton, bec Of that, we see that about ¼ of the top gaming customers sign a commit)
- W/ a 3 yr program - we think we'd increase to winning 85% of customers
- Basically, a shorter program doesn't change the main challenge our sellers have today - AWS is the incumbent. We're unfamiliar and we're not the standard provider. For most, there is no reason to switch. With a long enough program, that fundamentally changes. We're reducing costs to switch and providing enough time to become familiar and at that point we should not only have product parity but our gaming specific offerings should be much stronger.
- Second, we wanted to understand HOW much of their workloads would we win?

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Option A

GCP P&L: Option A – **22 Hug Devs**

Assumptions

3 Year Credit Program - 6 month delay

3 Year Credit Program ($M) - 6m delay	2019	2020	2021	2022	2023	Total
Gross Revenue	$86	$141	$209	$228	$251	$915
Credit usage	$0	-$60	-$118	-$135	$0	-$313
Discounts	-$17	-$19	-$22	-$28	-$52	-$138
Net Revenue (before Play reallocation)	$69	$62	$69	$65	$199	$463
Play Revenue reallocation	$0	$64	$112	$129		$305
Net Revenue (after Play reallocation)	$69	$126	$181	$193	$199	$768
Credit Grants	*$0*	*$129*	*$152*	*$185*	*$0*	*$466*
CoGS	$30	$49	$73	$80	$88	$320
Gross Margin (Before Play reallocation)	$39	$12	-$4	-$15	$111	$143
GM %	56%	20%	-6%	-23%	56%	31%
Gross Margin (After Play reallocation)	$39	$77	$108	$113	$111	$448
GM %	56%	61%	60%	59%	56%	58%

- Includes all 22 Hug Developers, including 6 with commits
- Developers that have commits, gain access to credits once they have satisfied commit
- After credits end, Developers renegotiate 20% discount
  ○ Existing commit customers keep their negotiated discount
- 10% churn assumed per year after credits end
- 90% revenue reallocation from Play
  ○ Year 1: 90% of granted credits
  ○ Year 2+: 90% of used credits
- COS: assumes 65% GM at list prices.

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Option A

GCP Impact over 5 years: Option A - **6 Hug Devs - with Commit**

	1 year credit program	2 year credit program	3 year credit program
Win rate	100%	100%	100%
Total GCP Credit Outlay	$27	$64	$132
Estimated GCP Redemption Rate	$5.6	$12.7	$29.4
GCP Net Revenue Impact	-$6	-$15	-$35
5th Year Net Rev Impact	$0	$0	$0
GCP Net Gross Margin Impact	-$9.3	-$14.7	-$35.2

Assumptions

- Demand assumes commit is 60% of likely spend
- Developers can get credits after meeting commitment
- After credits end, Developers renegotiate existing commit discount
  - No churn assumed after credits end
- Base case (no credits)
  - 100% win rate
  - Existing negotiated discount ranges from 13%-25%

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- Nintendo Co., Ltd. - 13%
- Ubisoft Entertainment - 17%
- BANDAI NAMCO Entertainment Inc. - 10.3%
- King - 23%
- Niantic - 25%
- Netmarble - 23.5%

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Option A

GCP Impact over 5 years: Option A - **16 Hug Devs - No Commit**

	1 year credit program	2 year credit program	3 year credit program
Win rate	25%	45%	60%
Total GCP Credit Outlay	$97	$212	$330
Estimated GCP Redemption Rate	$2.8	$47.4	$179
GCP Net Revenue Impact	-$2	$68	$63
5th Year Net Rev Impact	$0	$32	$64
GCP Net Gross Margin Impact	-$2.4	$21.9	-$27.2

Assumptions

- Developers grow demand at Play revenue forecast
- After credits end, Developers negotiate discount of 20% (reviewed with GCP pricing team
  - 10% / year churn assumed after credits end
- Developers ramp 5% in year 1, 35% in year 2 and 70% in Year 3
  - GCP is primary provider for multi-cloud users, hence max 70%
  - Ramp continues +10%/year thereafter to reflect organic growth
- Base case (no credits)
  - 25% win rate
  - 20% discount

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Option A

GCP ROI Impact Over 5 Years: Option A – **20 Existing Pilot Devs**

	1 year credit program	2 year credit program	3 year credit program
Win rate	35%	50%	65%
Total GCP Credit Outlay	$36	$80	$124
Estimated GCP Redemption Rate	$1	$19.8	$70.1
GCP Net Revenue Impact	-$1	$17	$11
5th Year Net Rev Impact	$0	$10	$21
GCP Net Gross Margin Impact	-$1	$3	-$18

Assumptions

- Pilot Devs are already on GCP - 10% higher base win rate than 22 Hug Devs
  - No churn in any scenario
- After credits end, Developers negotiate max EDP discount of 13.5% (3 year, >$5m annual value)
- Developers ramp 5% in year 1, 35% in year 2 and 70% in Year 3
  - GCP is primary provider for multi-cloud users, hence max 70%
  - Ramp continues +10%/year thereafter to reflect organic growth
- Base case (no credits)
  - 35% win rate
  - 13.5% discount

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Option B

GCP ROI Impact Over 5 Years: Option B – Broad 14k Devs Launch

	1 year credit program	2 year credit program	3 year credit program
Win rate	25% enterprise 15% others	45% enterprise 35% others	60% enterprise 50% others
Total GCP Credit Outlay	$145	$316	$492
Estimated GCP Redemption Rate	$2.5	$54.9	$222.2
GCP Net Revenue Impact	$55	$234	$249
5th Year Net Rev Impact	$12.6	$63.0	$331.1
GCP Net Gross Margin Impact	$34	$127.8	$341.7

Assumptions

- Developers grow demand at same rate as top devs
- After credits end, Developers negotiate EDP discount:
  - 13.5% enterprise
  - 6% others
  - No churn assumed after credits end
- Developers ramp 5% in year 1, 50% in year 2 and 90% in Year 3
  - GCP is primary provider for multi-cloud users, hence max 90%
- Base case (no credits)
  - 25% enterprise win rate
  - 10% other win rate
  - 13.5% enterprise discount, 6% others discount

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Sales Comp/Incentives Considerations & Solutions

Option A   **Option B**

Guiding Question	How do we encourage developers to spend **incrementally** on GCP?
Necessary Components	1. **Align sales incentives to** encourage **incremental** growth **beyond credit allotment** 2. Ensure customers **feel supported** to launch large workloads on GCP

Translating this to Sales Compensation, Attainment & Quota Planning

Current Pilot Approach	• Reps are compensated for Play + Cloud credit usage during the **1st semester only.** • In subsequent semesters, **attainment is not increased** by credit usage. Instead **account quota is lowered** due to credits consumed in the last semester.
Recommended Approach & Rationale	**Always compensate reps for Play + Cloud credit usage and incorporate credit consumption into quota.** **Rationale:** • These "credits" are **fundamentally different than other credits** we give out, because Play is paying • If you don't, rep has **very little incentive to work with the customer in short/medium term** (e.g., rep would have to get Zynga to spend $5M in credits without getting any credit, before they start getting attainment) • Because of that, large customers are **unlikely to consume all the credits, let alone spend incrementally** (Note: there may be a compliance blocker here that we're exploring)

- In order to get the desired outcomes that Paul & Mary just explained, it ultimately largely falls on our Sales teams to execute. And how they behave is ultimately dictated by how they're compensated. This is a consideration for both A & B.

- Finance says deliver this
- Sales ops divide by region
- Account level quota is NRR - if you have left over -

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Operational Challenges & Solutions to Deploy

Option A   **Option B**

xFN Workstream	Owner	Key Challenges	Proposed Solutions & Timeline	Potential Blocker to Deploy?
Credit Deployment	**Cloud:** pgchristensen, sudeepcs **Play:** ssayigh@	● Credits manually calculated, approved & deployed ● Mapping Cloud to Play account is manual	**Option A**: utilize current mechanism OR bulk upload via API (via sending Argentum team a bug w/ CSV). Website/Form to acquire Billing ID (Possible soon) **Option B:** ● **Long Term:** TBD - need ENG input on design time/resources	**Option A:** No **Option B:** **Potentially, Yes**
Sales Comp & Attainment	**Cloud:** shepelin@, axelb@, johnny jesson, shasson@	● Complex Rules: Play Credit rules differ vs. other credits ● Risk of errors as inputs are manual	**Option A**: utilize existing rules for H2'19, begin compensating fully in 2020 up to 90% of rev recognized. Manually adjust. **Option B:** Would need a schema change that would treat Play credits in backend more like net revenue & feed into attainment calculations	**Option A:** Likely No **Option B:** Yes
Sales Quota Planning	TBD	● Quota planning is changing ownership ● Would need to train managers on rules governing these accounts since they have ultimate discretion	**Option A/Option B:** Adjust quota models in 2020 to include credit consumption. Need to train managers on rules governing these unique accounts since they have acct level discretion	**Option A/ Option B:** No

- Credit Deployment: Essentially requires us to send the Argentum SWEs a bug with CSV attached with billing account id, credit amount and validity to be applied. There isn't an SLA on the process today since it is an exception process we use.

  - dependent on TPM team who is OOO until Mar. 28

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Accounting & TTL Considerations & Solutions

Option A   **Option B**

| xFN Team	Key Challenge	Proposed Solutions, Status & Timeline	Potential Blocker to Deploy?
Tax + Local Accounting	Play/Cloud entity structure misalignment presents intercompany revenue issues	**Option A:** Possible Cloud minicluster (Japan/Korea) manual workaround; working with Local Acctg to confirm stat compliance **Option B:** Will need country-specific diligence but not expected to be a blocker in most areas except for particularly challenging environments	**Option A:** Potentially in Korea / Japan **Option B:** Potentially, in certain locations (e.g. Brazil, China)
Business Controllers	Automated solution required to support revenue recognition across Play / Cloud for issuance / consumption of credits to ~14k developers	**Option A:** No known blockers **Option B:** TBD - need Eng input on design time/resources	**Option A:** No **Option B:** Yes
Legal	Intercompany agreement and commercial contract between developers and Cloud entities needed to facilitate issuance of credits	**Option A/Option B:** Contingent on completion of tax diligence. Agreements will likely take ~ 1 month to draft.	**Option A/ Option B:** No

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Appendix

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How Attainment Works Today

Eligible GCP Promo Credits for H1'19

- Start-Up [Spark & Surge only]
- News
- Cross-PA (Play and DVIP)
- EDU
- Life Sciences
- Global Alliances
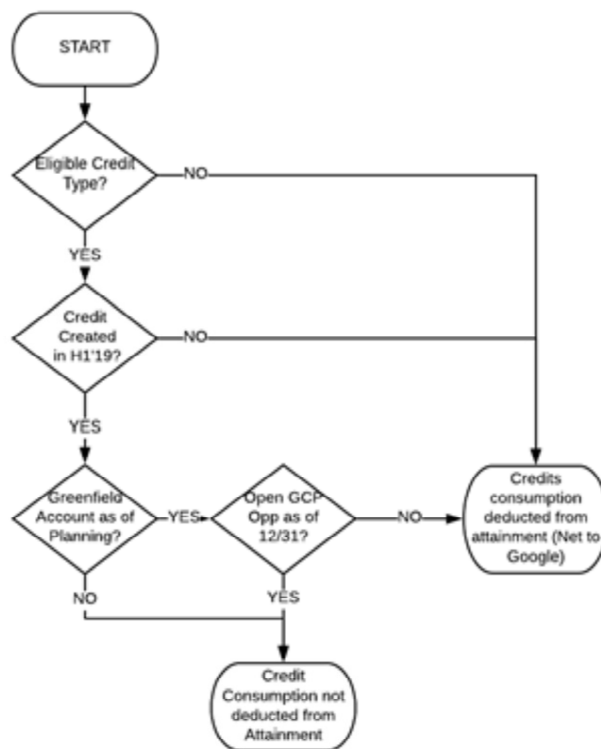
EX: **Non-Greenfield** account with $30K spend Jan-Mar. $100K credits created in **Apr 2019** of which $30K used from Apr-Jun (channel neutral)

$60K GCP Consumption | $60K GCP Attainment
-$30K Credits Used

EX: **Non-Greenfield** account with $100K credits created in **H2'18** of which $30K still available as of Jan 1; Jan-Mar - all $30k credits used, Apr - Jun $30K of spend (channel neutral)

$60K GCP Consumption | $30K GCP Attainment
-$30K Credits Used
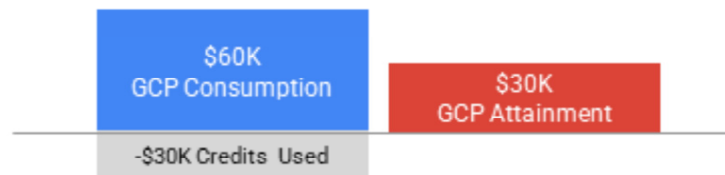
NOTE: Illustrative only. Full details in go/salesguidelines. In cases of disputes or conflict, go/SalesGuidelines controls. Adjustments completed at the end of the semester

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How Quota Adjustment Works Today

	Comp Treatment	In Attainment

Month	Net Revenue	Credit Consumed
2018-01	9494.65	0
2018-02	8996.94	0
2018-03	7334.65	3977.36
2018-04	-182	13211.30
2018-05	-252.58	14720.60
2018-06	-247.91	15033.82

Month	Net Revenue	Credit Consumed
2018-07	-227.09	17400.48
2018-08	-625.02	20678.77
2018-09	6914.28	14977.66
2018-10	20198.31	0
2018-11	18867.99	0
2018-12	17092.76	0

Bookings (Net of Credits): 25143.75
Start-Up Credit Consumption: 46943.09
Bookings + Start-Up Credit Consumption: 72086.84

Quota for H2 (Based Bookings, net of credits): 27315.34
Alternate H2 Quota (with Credit Consumption): 78312.7634

Bookings (Net of Credits): 46943.09
Start-Up Credit Consumption: 53056.91
Bookings + Start-Up Credit Consumption: 115278.15

Account Achievement: 172%
Alternate Achievement: 147%

NOTE: Pod's attainment is made whole only in the first semester when an eligible credit is granted and consumed. For that semester only, the quota for the account would not have anticipated spend being lowered due to credit consumption. However, attainment is not increased in subsequent semesters. The account quota was already lowered due to credits consumed in the last semester. If attainment in subsequent semesters need to incorporate credit consumption, quotas must also increase by anticipating credit consumption.

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Option B

Breakdown of Pods Affected By Broad Deployment

# of Pods	Pod Region
77	AMER
49	EMEA
23	APAC
17	JP
1	OTHER
1	Government

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Option A

GCP Impact over 3 years: Option A - **22 Hug Devs**

	1 year credit program	2 year credit program	3 year credit program
Win rate	25%	50%	80%
Total GCP Credit Outlay	$168	$348	$534
Estimated GCP Redemption Rate	$4.9	$114.8	$369.7
GCP Net Revenue Impact	-$4	$35	-$8
3rd Year Net Rev Impact	$0	$84	$42
GCP Net Gross Margin Impact	-$4.2	-$19.5	-$127.0

Assumptions

- Developers grow demand at Play Revenue forecast
- After credits end, Developers negotiate max EDP discount of 13.5% (3 year, >$5m annual value)
  - **No churn** assumed after credits end
- Developers ramp 5% in year 1, 50% in year 2 and 90% in Year 3
  - GCP is primary provider for multi-cloud users, hence max 90%
- Base case (no credits) assumes 25% win rate, and 13.5% discount.

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Option A

GCP Base Case P&L: **22 Devs, no Pilot program**

Assumptions

Negotiated Discounts	2019	2020	2021	2022	2023	Total
Gross Revenue	$64	$91	$122	$133	$147	$557
Credit Grants						
Credit usage						
Discounts	$13	$18	$25	$27	$30	$113
Net revenue	$51	$72	$97	$106	$117	$444
COS	$23	$32	$43	$47	$51	$195
GCP Gross Margin	$29	$40	$55	$60	$65	$249
GM %	44%	45%	45%	45%	45%	45%
Play Revenue reallocation	$0	$0	$0			$0
GCP Adjusted Gross Margin	$29	$40	$55	$60	$65	$249
GM %	44%	45%	45%	45%	45%	45%

- Includes all 22 Hug Developers, including 6 with commits
- 25% win rate in year 1 for 16 developers without commits.
- New developers negotiate 20% discount
  - Existing commit customers keep their negotiated discount
- 10% churn assumed per year after year 3
- COS: assumes 65% GM at list prices.

Google

Control Number :	GOOG-PLAY-003333662.R
AllCustodians :	Bankhead, Paul, Feng, Paul, Kochikar, Purnima, Lim, Tian, Rosenberg, Jamie, Wang, Kevin
Title :	CONFIDENTIAL | Play + GCP Hug Proposal
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